

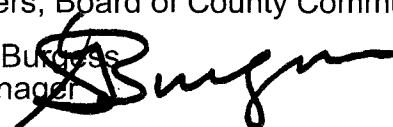
Memorandum



IM&FR

Date: January 13, 2005

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: 2004 People's Transportation Plan Pro Forma Update

Supplement to
Agenda Item No. 3 (I)

Recently, a great deal of confusion has occurred, and several inaccurate statements have been made, about our ability to address the needs spelled out in the People's Transportation Plan (PTP). First, it is important to make it very clear that we are making good on our promises; the PTP is being implemented. As promised and scheduled, we have improved all our existing 100 bus routes, while adding 18 new routes and an additional 8.3 million annual miles of bus service; Metrorail trains now arrive more frequently; and the Metromover is free. We are also moving forward with the Metrorail extension from the Earlington Heights station to the Miami Intermodal Center (MIC) near the airport, and have begun the federal funding approval process for the North Corridor and Segment 1 of the East/West Corridor from the MIC to Florida International University's (FIU's) Tamiami Campus. The December 2004 Pro Forma shows these 3 transit lines as fully constructed and operational by 2014, with a \$1.1 billion **surplus** in 2034. This surplus begins to build in 2016; at that time, planning, design and engineering can begin for the construction of additional corridors. This balance is in stark contrast to the balance shown in the original Pro Forma prepared in July 2002 before the referendum as support for the surtax. That Pro Forma showed a \$20.6 million surplus in the year 2023, yet by the year 2024, there was a deficit of \$353.7 million and by 2034, that deficit had grown to \$5.3 billion.

The December 2004 Pro Forma continues to reflect, as it did in the December 2003 Pro Forma update and the original Pro Forma prepared in 2002, support for existing services. This is necessary to be able to continue operating one unified system that delivers the services promised in the PTP, provide for the ongoing operations of a rapidly growing mass transportation system, and to demonstrate to the Federal Transit Administration (FTA) that we have sufficient funding to operate and maintain the entire system.

On December 29, 2004, the Citizens' Independent Transportation Trust (CITT) unanimously recommended an amendment to the PTP allowing the use of surtax funds to support existing Miami-Dade Transit (MDT) service. This included the Fiscal Year 2001-2002 (FY 01-02) \$23.9 million one-time deficit. This amendment will infuse \$2 billion additional dollars into the Pro Forma by memorializing my recommendation of last year that the General Fund Maintenance of Effort (MOE) to MDT increase by at least 3.5% and that the Local Option Gas Tax (LOGT) increases by at least 1.5% each year. As detailed below, the amendment also memorializes my additional commitment to the CITT at their December 29 meeting to increase the MOE by \$2 million as of FY 04-05, a move that will add \$103 million in new, non-surtax revenue by 2034.

In my Memorandum of December, 2003, presenting the first update of the Pro Forma to the Board, I expressed my concerns with the original Pro Forma prepared in 2002 before the referendum as support for the surtax. The need to re-examine many funding assumptions became apparent. Fare revenues were not meeting expectations; the cost of implementing certain improvements is greater than anticipated. And while the half-penny puts us in a position to compete for federal funding, it is no secret to anyone that federal funding for major transit projects is very limited and highly competitive among major urban areas.

At that time, I requested that Public Financial Management (PFM), Transit's financial advisor, do a comprehensive update to the original Pro Forma. As a result of that update, it became evidently clear that the MOE could not remain static over the next 30 years, that the LOGT revenue support to MDT needed to grow, and that fares would need to be increased in order to implement the PTP and have one cohesive, integrated, and functional transit system. As a result, I recommended a 3.5% increase in the MOE, a 1.5% increase in the LOGT, and fare increases of \$.25 in FY 2007 and \$.50 in FY 2012, 2017 and 2022. Given that our last fare increase took place in 1991 and base funding to MDT has not been inflation sensitive, these increases are a reality that must be a part of our planning. By the time the first fare adjustment would be implemented, 16 years will have passed with no transit fare increase in Miami-Dade County. Based on recent research by MDT, having no fare increases for such a long period of time is highly unusual, even for transit agencies with dedicated funding sources. Below is a brief history of MDT fares.

Miami Dade Transit Fare History

Effective Date	Adult Fare	% Increase of Fare	Adult Transfer	Discount Fare	Passenger Transfer
May 1, 1970	\$0.30		Free	\$0.15	Free
July 1, 1978	\$0.50	67%	Free	\$0.25	Free
November 1, 1980	\$0.60	20%	Free	\$0.30	Free
January 1, 1981	\$0.75	25%	Free	\$0.35	Free
July 1, 1981	\$0.75		\$0.10	\$0.35	\$0.05
August 18, 1982	\$0.75		\$0.20	\$0.35	\$0.10
December 1, 1983	\$0.75		\$0.25	\$0.35	\$0.10
October 4, 1987	\$1.00	33%	\$0.25	\$0.50	\$0.10
December 1, 1990	\$1.25	25%	\$0.25	\$0.60	\$0.10

However, even with the fare increases noted above, the December 2003 Pro Forma showed that the surtax would still need to provide support for existing services.

The issue of support for existing services has received some media attention as of late and warrants clarification. The original Pro Forma prepared in 2002 as support for the surtax was a 21 year plan. This plan programmed 8 corridors for construction (North, East/West, Earlington

Heights/MIC, Light Rail to Miami Beach, Kendall, Northeast, Douglas Road, and Metrorail to Florida City). However, only the North, Kendall, Earlington Heights/MIC, and Light Rail to Miami Beach were actually completed and operational, with the last corridor (Light Rail to Miami Beach) having just come on line in FY 2022. It is important to note that the system as a whole showed a significant deficit after FY 2023 with no recovery without a new funding source. In addition, the surtax provided approximately \$280 million in support for existing services from FY 2003-2011. In fact, support for existing services rose to \$154 million by the year FY 2023 for that year alone. **From a financial perspective, then, support for existing service was always envisioned as a part of the PTP at a level much higher than that being proposed today.**

The Pro Forma being presented today shows a balanced financial plan with a surplus of approximately \$1.1 billion at the end of 30 years. This positive balance will allow, after the opening of the first three corridors programmed for FY 2011-2014 (North, Earlington Heights/MIC, East/West), initiation of planning and engineering services for other planned corridors. The surtax support for existing services is now contemplated to be approximately \$155 million for the period from FY 2002-2011, inclusive of the MDT debt prior to the passage of the surtax. In contrast to the original Pro Forma, fare increases and the stabilizing of expenditures allows the support for existing services to diminish to the extent that the existing services revenues begin to contribute to the system and help fund the PTP projects by FY 2012.

We have been working with the CITT during this past year on the issue of support from the surtax for existing services. We have had multiple workshops and meetings on this issue. A salient point was the use of the surtax to pay for support of existing services for FY 01-02, the year ending prior to the passage of the surtax. MDT used primarily FY 02-03 federal formula grant revenues to cover the \$23.9 million shortfall for FY 01-02. As a result of this and of my discussions with the Chair of the CITT, Marc A. Buoniconti, I agreed to recommend an increase to the MOE of \$2 million for FY 04-05. This will result in an additional approximately \$103 million to the total revenues of the Pro Forma. **The CITT unanimously recommended the amendment to the PTP on December 29, 2004, which included payment for the FY 01-02 \$23.9 million deficit and payment for the support of existing service from FY 02-03 forward.** The amendment also states that this support for existing services will continue annually as long as the MOE increases by at least 3.5% (at the new base amount that includes the additional \$2 million) and that the LOGT increases by at least 1.5% each year.

To continue to deliver the entire transportation improvement program, we need to periodically assess whether financial resources are sufficient and if they are being applied in a responsible manner. A Pro Forma financial plan forecasts the financial feasibility of the implementation of the PTP. When we presented the December 2003 Pro Forma, we committed to an annual update of this 30-year forecast. Again, I stress the importance of recognizing that a Pro Forma is a "snap shot" of a dynamic economic and operating environment. It is a living document using certain assumptions to forecast revenues and expenditures. When any of these assumptions deviates from reality, even slightly, there can be a significant impact to the long-term forecast and program. It is our collective responsibility to update the Pro Forma and review a new "snap

shot" on an annual basis. Each assumption must be examined and the financial model updated as required. As we explained in the December 2003 Pro Forma update, we have engaged Transit's financial advisor, PFM, to update the Pro Forma with the input of staff from MDT, Office of Strategic Business Management (OSBM), and the CITT. The updated results are attached.

Based on the current projection of the revenues and expenditures, the updated financial forecast projects that expected revenues will be sufficient to cover expected expenses for delivering existing and enhanced transit services during the 30 years of the Pro Forma. We continue working with the financial advisor analyzing the debt structure to see what additional savings can be obtained. This December 2004 Pro Forma projects a level debt structure that may have to be revised. As I mentioned, the Pro Forma is a living document that will be updated regularly and include changes in the forecast that reflect the latest trends and financial plans.

Following are highlights comparing the December 2003 Pro Forma and the December 2004 Pro Forma:

1. Total annualized revenue bus miles continue on track to reach the approximately 44 million revenue miles promised by the PTP by 2007.
2. Total bus fleet continues its expansion to 1191 buses by 2007.
3. LOGT growth continues at 1.5% annually.
4. Purchase of Replacement Phase I Metromover cars and rehabilitation of Metrorail vehicles is on track; replacement of Phase II Metromover cars continues starting in 2020.
5. Fare increases are now estimated to be \$.35 in 2007 and \$.50 in 2012 and 2017. The December 2003 Pro Forma fares were estimated to increase by \$.25 in 2007 and \$.50 in 2012, 2017 and 2022.
6. General Fund support (MOE) continues to grow at 3.5% as in the December 2003 Pro Forma, but starting in FY 04-05 an additional \$2 million will be added resulting in approximately an additional \$103 million over the next 30 years.
7. Operating revenue projections have decreased from the December 2003 Pro Forma from approximately \$8 billion to \$7.3 billion to account for primarily decreased fare revenues. Although boardings continue to increase, a great majority of that increase is related to those users that ride free of charge. Boardings related to the Golden Passport continue to grow. Based on recent reports, it is expected that for FY 03-04, boardings related to the Golden Passport will be approximately 5.5 million to 6 million and will grow substantially each year. The recent Patriot Passport has also contributed to increased fare-free boardings. This high increase of fare-free boardings was not envisioned in the December 2003 Pro Forma.
8. Sales tax revenue projections decreased from the December 2003 Pro Forma from approximately \$12.5 billion to \$12.3 billion to reflect a lower base and lower growth rate.
9. Debt payment schedule has decreased from approximately \$5.2 billion to \$5.05 billion to account for the construction of the Earlington Heights/MIC, East/West, and North Corridors. No other corridor is reflected under construction; as we approach the opening of the three corridors identified in this Pro Forma, we will begin planning and engineering of any additional corridor.

10. Operating expenses decreased from approximately \$23.3 billion to \$22.5 billion reflecting the changes in the timing of the corridors coming on line in accordance with the revised timetable. Current expenses also include an additional \$55 million for the increase in the Special Transportation Services (STS) costs for the next 5 years. Projections for this service continue growing from the base set at the 5th year through the 30 year life of the Pro Forma. Federal regulations require transit properties to provide comparable, complementary paratransit service (Title 49, Section 37.121, 37.123, 37.131):

"Each public entity operating a fixed route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed route system...The entity shall provide...service to origins and destinations within corridors with a width of three-fourths of a mile on each side of each fixed route. The corridor shall include an area with a three-fourths of a mile radius at the ends of each fixed route...The...service shall be available throughout the same hours and days as the entity's fixed route service."

Please note that implementation of all corridors is based on federal funding availability and participation in rail projects at 50% and up to \$60 million per year, consistent with the current practice of the FTA. It also requires that all projects receive a "recommended or highly recommended" rating by the FTA during the project New Starts evaluation process. These project evaluations are performed annually by the FTA, and in order to qualify for scarce federal funds, MDT must compete with dozens of other cities nationwide in a highly competitive process. Rigorous project evaluations are conducted with particular emphasis on MDT's ability to implement and maintain these projects, as well as on the projects' feasibility. Proposed projects must not only be supported by a local financial commitment for construction, operation and maintenance, but MDT must also demonstrate that its existing system will be maintained to a high level of service. This comprehensive financial plan will be required by the FTA and the Florida Department of Transportation (FDOT) prior to the disbursement of any capital funds. It is important to note that the agencies will review not only the individual project applying for funding, but will also review MDT's ability to operate and maintain the entire system. This review is conducted annually until the project receives a Full Funding Grant Agreement (FFGA). Specifically, "FTA will direct its Financial Management Oversight contractor to assess the sponsor's financial capacity and the reasonableness of the sponsor's financing assumptions, including the completeness of the sponsor's financial plan, and the stability and reliability of the sponsor's financing for both the capital costs of the project and the operation and maintenance costs of the overall transit system." Further, Section 12 of the FFGA stipulates, "as a condition of the Government's Award of funding set forth in this Agreement, the Grantee has developed and adopted a Financing Plan to finance the future operation and maintenance of the Project that also takes into consideration the Grantee's continuing financial responsibilities to operate, maintain, and reinvest in its existing transit system".

In addition, as anticipated in the original Pro Forma of 2002, FDOT participation in rail projects is assumed at 25%. The FDOT has advised that it would require reprogramming other projects to reallocate funds for rail projects.

As with any long-term estimate, when changes are compounded over a 20 to 30 year period, there is a very significant impact on forecasts. While we do not want to be overly conservative or optimistic in this financial plan, it is prudent to use the best available information while inviting independent validation and oversight. To the extent that the growth of operating costs can be contained and operating revenue enhanced, the entire transit program will be more comfortably afforded. To be able to deliver the PTP and upgrade long under-funded services and maintenance facilities, aggressive actions must be taken to be able to deliver all of the services and projects that were promised to the public. Significant management initiatives, which are delineated in the MDT Business Plan, are now underway to achieve both of these objectives.

MDT Efficiency Projects

MDT is committed to continuous improvement and demonstrates this commitment through on-going management and operational assessments that critically review current practices. These assessments are used to either verify that the agency is managing prudently or to help identify cost savings. The agency has employed the services of state university transportation centers to objectively analyze organizational structures and processes. These detailed reviews, although independent, are typically conducted in collaboration with MDT management to help to ensure that the recommendations will be implemented and the benefits realized. Reviews of maintenance practices, staffing levels and other recent initiatives examining agency inventory levels were conducted by independent and respected experts who compared MDT to other transit agencies nationally. The value of this kind of on-going self-assessment is in helping to ensure that the dollars allocated to providing public transportation are being spent wisely. MDT has plans to continue these efficiency reviews and to strengthen its commitment to ensuring that the results are put in place. Examples of these kinds of "efficiency audits" and other efforts include:

- The recently completed Comprehensive Bus Operations Analysis (CBOA), conducted by the University of South Florida's Center for Urban Transportation Research (CUTR), analyzed bus service on every route now being provided by the County. Passengers were counted and surveyed, and schedules were checked against actual bus arrivals to make adjustments to improve system reliability and service for County residents. The study will provide the information needed to position our resources more wisely, taking into account such factors as traffic, new travel destinations, land use, transit trip patterns, and a comprehensive public information effort. Major potential cost savings are identified; bus routes that are carrying very few passengers have been examined and some service changes and rollbacks have been recommended. These recommendations are now being considered and a limited number were incorporated in the recent November 2004 line-up. Recommendations from the CBOA will continue to be incorporated in future line-ups.
- The Metropolitan Planning Organization (MPO) commissioned a "Special Use Lane Study" to evaluate more efficient utilization of existing right of way on freeways and major arterials that have the potential to accommodate these lanes, which could be reversible

and could be used by specially designated vehicle traffic, high occupancy vehicles (HOV), bus rapid transit (BRT) or some combination of the three. The study recommended improvements for two potential scenarios for immediate consideration: express core service, which includes the implementation of express services along the Turnpike, SR-836 and SR-826; and arterial core services, which includes the development of a bus rapid transit (BRT) system along Flagler Street and Biscayne Boulevard (the recommendation also includes further analyses for Kendall Drive). However, before these recommendations can be implemented, state statutes need to be amended. Legislation has been drafted to include these recommendations in our state legislative package.

- Recent updates of the Metrorail & Metromover Fleet Management Plans assessed current and future vehicle maintenance needs, resulting in improved maintenance scheduling and improved forecasting of associated costs.
- MDT has developed the FTA mandated Metrorail Action Plan to enhance performance of vehicles and other systems. This resulted in the reallocation of staff for maintenance, repair and tracking and the restructuring of preventive maintenance intervals.
- The Mechanic Manpower Analysis helped MDT develop a methodology for determining future vehicle maintenance needs and benchmarks for mechanic time allocations per operated mile of service, thus assisting in more realistic assessment of staffing needs.
- FIU's Lehman Center for Transportation Research (LCTR), in conjunction with the University of Miami, recently completed an efficiency project to develop a work time standards manual for bus maintenance tasks at MDT. The labor time standards will allow MDT to establish performance measures for specific repair tasks.
- The continuation and enhancement of aggressive advertising, sales, and promotions programs to find creative ways to inform the public of new services and explore revenue-generating campaigns. Significant web site enhancements also took place this year that allow users to readily obtain detailed PTP project information. The origins of the PTP, ballot language, governing legislation, and related resolutions and amendments are posted along with a section on the "Half Penny at Work" including 90-day Progress Reports updating bus service improvements, rail service improvements and projects, and public works projects, among other information.

These are just a few of the initiatives now underway within MDT. Each activity has an established target and performance measure. As MDT begins to meet these targets and efficiencies are gained, their financial impacts will be incorporated into the December 2005 update of the Pro Forma. With each annual update, we have an opportunity to share information and make knowledgeable decisions. Each year, we should view this process as a chance to take a fresh look at exactly where we are heading under the given financial circumstances.

PTP Project Update

With the second year of the PTP completed, we can all be very proud of our accomplishments. Within the past year, the PTP's short-term public transit goals have been implemented. Transit service improvements already in place include:

Bus Service Improvements

- To date, approximately 8 million annualized miles of revenue service have been added to Metrobus operations. Added to the approximately 27 million miles operated prior to the surtax, Miami-Dade Transit (MDT) now operates approximately 35 million of the total 44 million annualized revenue miles promised by 2007 in the PTP. Approximately 4 million annualized revenue miles will be added in both 2006 and 2007.
- Overall since the passage of the surtax, the following number of improvements have been made to existing bus routes:

<u>Type of Improvement</u>	<u>Number of Routes Improved</u>
Peak Frequency Improvements (15 minutes or better)	20 routes
Peak Frequency Improvements (16-30 minutes)	16 routes
Midday Frequency Improvements (15 minutes or better)	2 routes
Midday Frequency Improvements (16-30 minutes)	17 routes
Midday Frequency Improvements (31-45 minutes)	2 routes
Weekend Frequency Improvements (15 minutes or better)	1 route
Weekend Frequency Improvements (16 -30 minutes)	25 routes
New Midday Service	2 routes
New Weekend Service	3 routes
Extended Routes	19 routes
Realigned Routes	24 routes
Extended Service Span	5 routes
Expanded Service to 24 hours	11 routes
Added Trips	16 routes
Other Schedule Improvements	83 routes

- Fourteen Metrobus routes now provide overnight service; 11 of these routes operate 24-hours a day.
- By April, 2004, MDT had added ten new bus routes: the Coconut Grove Circulator, Sweetwater Circulator, Little Havana Circulator, Little Haiti Connection, Flagami Connection, Coral Gables Connection, Hialeah Gardens Connection, Coral Way Max, Route 500 -Midnight Owl, and Route 99.
- On November 21, 2004, MDT implemented the largest bus service improvement at one time in the history of the County. MDT added 2.5 million miles of bus service which includes 8 new bus routes (Busway Flyer -Route 34, Route 344, Goulds Connection -Route 216, Route 200, Route 147, Airport West -Route 41, Gratigny Connection -Route 68, and Liberty City

Connection -Route 46). The following 50 existing bus routes received substantial service improvements (Routes 3, 7, 9, 12, 16, 21, 22, 27, 28, 29, 32, 33, 35, 37, 52, 54, 62, 70, 73, 75, 77, 87, 88, 95 Express, C, E, H, J, K, R, W, Busway Local -Route 31, Busway Max -Route 38, Flagler Max -Route 51, West Dade Connection -Route 137, Gables Connection -Route 152, Little Haiti Connection -Route 202, Killian Kat -Route 204, Little Havana Circulator -Route 207/208, Sweetwater Circulator -Route 212, Coral Way Max -Route 224, Airport Owl -Route 236, Doral Connection -Route 242, Okeechobee Connection -Route 245, Night Owl -Route 246, Coral Reef Max -Route 252, Ludlam Max -Route 267, Sunset KAT -Route 272, Saga Bay Max -Route 287 and Kendal Kat -Route 288.

- On April 25, 2004, MDT inaugurated a new Metrobus operations and maintenance facility in Medley. MDT had completely run out of facility capacity to park and maintain buses.
- Nine thousand new bus-stop signs will replace older signs mounted on a variety of posts and poles. All new signs will be mounted on square green posts that will make them easier to spot and feature the international bus stop symbol. By November, 2004, 1,400 of the new signs and green posts had been installed at bus stops throughout the County. New information map panels were installed at over 900 transfer points along the 25 most heavily used bus routes and major activity centers displaying maps, up-to-date scheduled arrival times, and information on each route serving a particular bus stop. The information is provided in English, Spanish and Creole in order to better serve our diverse community.
- More than 600 new bus shelters have been installed throughout the County. These shelters are being built and maintained by a private company under contract with the County and MDT receives a share of advertising revenues from these shelters. (No County or surtax funds are being used in the installation or maintenance of these shelters since this is a revenue producing contract.) All shelters use solar energy and have beautiful etched glass panels with herons and palms that shield passengers from South Florida's extreme heat and unpredictable rain. Further, each shelter has a large transit map that outlines all MDT bus routes, the Metrorail alignment, and provides transit riders with a customer-service telephone number and website address to obtain personalized trip-planning information. By the end of this year, approximately 3,000 sites will be examined for shelter installation. All shelters should be installed within the next 24 months. To address recent isolated incidents of vandalism to bus shelters (broken glass panes), MDT has teamed with the Miami-Dade Police Department (MDPD) in a special detail to arrest violators. This sting has targeted areas where there has been recurring vandalism. Additionally, MDT is currently working with the contractor in evaluating and testing several protective materials that would withstand the force of objects thrown into the glass pane.
- Since the passage of the surtax, MDT has hired over 1,000 employees including approximately 700 bus operators and 100 bus maintenance technicians. MDT has participated in an apprenticeship program with the South Florida Workforce since April, 2003, when Miami-Dade County and the School Board agreed to cooperate in the implementation of a maintenance apprenticeship program to train mechanics to repair MDT's heavy vehicular equipment and

buses. Classes are held at Miami Lakes Technical Education Center and at the Robert Morgan Technical Education Center. As a result, MDT has hired 69 new technicians to date (40 in May, 2004, and 29 in November, 2004). Approximately 20 participants are currently in training. This program has created opportunities for our residents to develop meaningful skills and obtain gainful employment. Additionally, MDT, in conjunction with the Employee Relations Department (ERD) and the South Florida Workforce, has developed study guides and practice exams for those seeking employment as bus operators. This has helped hundreds of residents in our community improve their scores and find employment at MDT.

- Participation in the Golden Passport Program by our residents who are 65 years of age or older and Social Security beneficiaries continued to increase, allowing them to ride free on transit regardless of their income. Today, over 115,000 seniors and Social Security beneficiaries participate in the program.
- In June, 2004, the Patriot Passport was established. This three-year pilot program allows all honorably discharged veterans who are permanent Miami-Dade County residents with annual incomes below \$22,000, to be eligible to ride transit free of charge. To date, 1,460 Patriot Passports have been issued.

Rail Service Improvements

- Within the next five years, 136 twenty-year old Metrorail vehicles will undergo a complete overhaul and be reconfigured with a new sleek, aerodynamic, sloped-end nose. The interior of the vehicles will be reconfigured to present a modern, brighter, more aesthetically pleasing appearance. The rehabilitation is also geared towards having fewer failures, less maintenance, and better diagnostics on rail vehicles. These vehicles will also operate on future Metrorail extensions. The first rehabilitated trains will arrive within the next 2 years.
- Within the next two years, MDT will also purchase 12 new Metromover cars to replace the 20-year old Phase I cars that have met their life expectancy and are due for retirement. The new vehicles will sport a futuristic look that includes a new design.
- Within the next few months, MDT and the South Florida Regional Transit Authority (SFRTA, formerly Tri-Rail Commuter Authority), will be soliciting a contract for the provision of new fare collection equipment, allowing interaction between Miami-Dade County, Palm Beach County, Broward County and Tri-Rail. This will be a regional system; once all properties have procured their fare collection equipment and integration is completed, passengers will be able to ride from West Palm Beach to Miami with a single ticket. With the use of a plastic, wallet-sized "Smart Card" imbedded with computer chips, this single ticketing system will be capable of interfacing with a standardized fare collection system that will provide more accurate financial and statistical reporting. The new equipment will bring the latest technology to MDT, relying on electronic more than mechanical devices, improving reliability and efficiency, and facilitating operational functions. It will replace our 20-year old system, which is becoming difficult to maintain due to obsolescence, and will provide for a system-wide acceptance and validation of all fare media ticketing products independent of operator intervention.

- Transit Rail Corridor development continues:
 - The Earlington Heights/MIC Corridor is scheduled to open in 2011 **(the original Pro Forma of 2002 upon which the surtax was based estimated completion by 2015)**. This 2.6 mile heavy rail extension will connect the MIC, located north of NW 21 Street and east of NW 42 Avenue, to the existing Earlington Heights Metrorail Station at NW 22 Avenue. The project includes one station at the MIC and is estimated to cost \$340 million. Included in this cost is an overhead crossing over the Miami River and State Road 112. During preliminary engineering, the station location was moved further west in order to facilitate a seamless connection to the MIC-FIU East/West Corridor extension. During final design, MDT will work with the Airport staff to minimize the distance between the MIC Metrorail Station and the Airport People-Mover connection to the terminal. The MIC Metrorail Station design will also incorporate a pedestrian-friendly connection to the MIC core. MDT is currently completing negotiations with the consultant who will perform the final design for this project; the contract is tentatively scheduled for award by the Board in March, 2005. In October, 2004, the decision was made to implement this project with 100% local funds. FDOT has pledged \$100 million for the Earlington Heights/MIC project. The balance of the estimated cost (approximately \$240 million) will be paid for using proceeds from the surtax. MDT is moving expeditiously towards finalizing construction plans and starting real estate acquisition. In fact, the Miami Dade Expressway Authority (MDX) has already acquired four parcels for MDT since 23 of the 43 parcels required for this project are jointly needed by both MDT and MDX. Once this extension is completed, it will provide a direct link from the MIC to downtown.
 - The North Corridor is scheduled to be operational by 2013 **(the original Pro Forma estimated completion by 2016)**. This 9.5 mile heavy rail line will extend Metrorail north along NW 27 Avenue from the existing Dr. Martin Luther King, Jr. Metrorail Station to the Broward/Miami-Dade County Line. The project includes 7 stations and 4 multilevel parking garages. The estimated cost is \$843 million. In August, 2004, MDT presented to the FTA the 2004 North Corridor New Starts Submittal. Along the way, the current consultant team made substantial improvements in MDT documents and data for all three areas of FTA criteria review (land use, ridership and cost effectiveness). All of these programmatic improvements will be used to enhance the New Starts and environmental process submittals for all corridors. MDT has also undertaken the complex process of making model enhancements that will significantly improve the ridership forecast data submitted to FTA for the development of all corridors. This process will be completed in early 2005. In September, 2004, MDT submitted a Draft Final Environmental Impact Statement (FEIS); upon review FTA noted that some of the supporting data was more than three years old. MDT's current consultant team developed an action plan and timeline as approved by FTA that will allow a Supplemental Draft Environmental Impact Statement (SDEIS) to be submitted in early 2005. Concurrent with this effort, MDT is in the process of hiring a consultant to

perform preliminary engineering for this project; the contract is tentatively scheduled for award by the Board in January, 2005. MDT is confident that, upon completion of these planning efforts later this year, the North Corridor will receive a recommended rating from the FTA, thus enabling MDT to qualify and apply for the necessary federal funding to complete this project.

- The East/West Corridor between Florida International University's (FIU) Tamiami Campus and the MIC is scheduled to be operational by 2014 **(the original Pro Forma estimated completion beyond the 2023 range of that Pro Forma)**. This 10.1 mile rail extension will run from the MIC to FIU with plans for stops at a total of 7 stations including the Blue Lagoon area, the 836/826 interchange, and the Miami International Mall. The estimated cost is \$1.38 billion. MDT has hired a consultant to perform the planning work and preliminary engineering required by the FTA beginning in January, 2005. The consultant's first task will be to meet with the FTA to develop an expedited plan of action that makes maximum use of prior planning work performed by FDOT in the late 1990's. MDT is confident that, upon completion of this planning effort, the project will receive a recommended rating from the FTA, thus enabling MDT to qualify and apply for the federal funds necessary to complete this project. Once this extension is completed, a direct link to downtown will be provided through the Earlington Heights/MIC connector.

Municipalities

- Municipalities are also establishing their own programs. The ordinance establishing the PTP calls for 20 percent of surtax proceeds to be distributed on a pro-rata basis to the municipalities that were in existence at the time of the passage of the surtax. To date, municipalities have received more than \$53.3 million in surtax funds for transportation and transit initiatives such as circular buses, bus shelters, road resurfacing and drainage projects. For example:
 - Coral Gables continues to run its free trolley system transporting more than 250,000 people to work, shopping centers, and other destinations within the city;
 - Sweetwater has established a free bus circulator service;
 - North Miami has begun its free NoMi Express community bus service, which operates four routes that crisscross the City. The service is funded by the PTP, as well as a grant from the FDOT;
 - Hialeah has been using PTP funds to perform major roadway improvements around the city, including the \$5.5 million reconstruction of Northwest 62nd Avenue which broke ground in May, 2004;
 - The City of Miami is using its PTP funds to establish an electric streetcar system. Phase I will run from downtown Miami to Northeast 79th Street. The cost is estimated to be between \$120 and \$130 million. It is projected for completion in 2007 or 2008.

Public Works

- The Public Works Department (PWD) is charged with implementing many major roadway projects and neighborhood improvement projects over the next 9 years with PTP funding. The Department has a budget of nearly \$476 million to address the needs of the County. Major improvements that have taken place as part of the PTP implementation include:
 - The Traffic Signals and Signs Division (TSS) of PWD is charged with improving signalization throughout the County. The main goal is to replace the 29-year old Traffic Control System (TCS) with a new, state-of-the-art, Advanced Traffic Management System (ATMS). The following efforts are taking place:
 - TSS experts have initiated a search to find a replacement for the old TCS system. They have reviewed multiple proposals and have visited various sites throughout the country to witness first hand how these systems work.
 - TSS is also hiring new timing engineers, exploring alternate methods to address staffing requirements, and developing contracts to initiate the first phases of implementation of a new ATMS system.
 - Each of the 44 site-specific projects included in Exhibit 1 of the PTP are being addressed at this time.
 - Seven of the projects are under construction or set to commence construction very soon:

District 1	Roads with poor to fair pavement conditions. These include: NW 157 St to NW 167 St between NW 47 Ave and NW 57 Ave; NW 167 St to NW 183 St between NW 37 Ave and NW 47 Ave & between NW 27 Ave to NW 37 Ave; NW 183 St to NW 199 St between NW 37 Ave and NW 47 Ave; NW 151 St to NW 167 St between NW 7 Ave and NW 17 Ave & between NW 27 Ave and NW 37 Ave.
District 1	NW 22 Ave from NW 135 St to State Road 9
District 2	NW 22 Ave from 137 St to NW 62 St
District 6	NW 82 Ave/NW 8 St from NW 7 to 10 St/NW 87 to 79 Ave
District 7	Roads with poor to fair pavement conditions. These include SW 56 St to SW 72 St between SW 77 Ave and SW 7 Ave, between SW 87 Ave to SW 97 Ave, and between SW 97 Ave and SW 107 Ave.
District 7	Grand Avenue from SW 37 Ave to SW 32 Ave
District 13	NW 62 Ave (W 8 Ave) from NW 138 St to NW 105 St
 - Nine of the projects are under design:

District 3	NE 2 Ave from West Little River Canal to NE 92 St
District 6	SW 62 Ave from SW 24 St to NW 7 St
District 7	SW 62 Ave from SW 70 St to SW 64 St

District 7	SW 97 Ave from SW 72 St to SW 56 St
District 9	SW 160 St from SW 147 Ave to SW 137 Ave
District 10	SW 127 Ave from SW 120 St to SW 88 St
District 10	SW 97 Ave from SW 56 St to SW 40 St
District 11	New access to Country Walk
District 12	NW 138 Street Bridge over Miami River Canal

- Three of the projects will begin design early this year:

District 11	SW 157 Ave from SW 152 St to SW 112 St
District 12	NW 74 St from the Homestead Extension of the Florida Turnpike (H.E.F.T.) to NW 82 Ave
District 13	NW 87 Ave from NW 186 St to NW 154 St

- Six of the projects will begin design through a Joint Participation Agreement (JPA) with the City of Miami early this year:

District 2	NW 62 St from NW 37 Ave to I-95
District 3	NE 2 Ave from NE 20 St to NE 36 St
District 3	NE 2 Ave from NE 36 St to NE 43 St
District 3	NE 2 Ave from NE 43 St to NE 62 St
District 3	NE 2 Ave from NE 62 St to West Little River Canal
District 7	South Miami Avenue from SW 25 Rd to SW 15 Rd

- Nineteen of the projects are undergoing a scope development and will be advertised for design services later this year:

District 2	NW 37 Ave from NW North River Dr to NW 79 St
District 4	Miami Gardens Dr Connector from US 1 - William Lehman Causeway
District 5	SW 1 Ave from SW 8 St to SW 1 St
District 6	NW 7 St from NW 72 Ave to NW 37 Ave
District 6	SW 72 Ave from SW 40 St to SW 20 St
District 7	South Bayshore Dr from McFarlane Road to Aviation Avenue
District 7	SW 27 Ave from US 1 to Bayshore Drive
District 8	SW 120 St from 137 Ave to SW 117 Ave
District 8	SW 137 Ave from H.E.F.T. to US 1
District 8	SW 137 Ave from US 1 to SW 184 St
District 8	SW 312 St from SW 187 Ave to SW 177 Ave
District 8	SW 87 Ave from SW 216 St to SW 168 St
District 9	SW 136 St from SW 157 Ave to Florida Turnpike (SR 874)
District 9	SW 157 Ave from SW 184 St to SW 152 St
District 9	SW 176 St from US 1 to SW 107 Ave
District 9	SW 180 St from SW 147 Ave to SW 137 Ave

District 9	SW 216 St from Florida Turnpike to SW 127 Ave
District 9	SW 264 St from US 1 to SW 137 Ave
District 12	NW 97 Ave from NW 41 St to NW 25 St

- o PWD continues to reach out to each of the County Commissioner's Offices to discuss and prioritize the Neighborhood Improvement Projects. Contracts to address these Neighborhood Improvements (11 open construction contracts totaling \$10.0 million) are underway countywide. New contracts are being advertised and will be before the Board for approval early this year. Open contracts for Neighborhood Improvement Projects are for Resurfacing, Sidewalks, Drainage, Striping, ADA Sidewalks, Traffic Signals, and School Flashing Signals. School Flashing Signals either under construction or set to commence construction are at Greynolds Park Elementary, Kinlock Park Elementary, Gulfstream Elementary, Lake Stevens Elementary, and Shenandoah Elementary. New work orders for additional flashing signals will be issued this year and will continue to be issued until all 125 planned signals are installed.
- o Construction began on the Grand Avenue Reconstruction Project in October, 2004. The project cost is \$3.7 million and combines funding from PTP and other local funding sources. The contractor is working in phased construction on drainage, roadway and flatwork. The City of Miami is administering the construction contract.
- o The Scope of Services for the Miami River Tunnel Feasibility Study has been redrafted with active input from the City of Miami and FDOT. The City and the County have been partnering to find ways to expedite this study. As a result, the City has offered to utilize a consultant from their pool of consultants hired for Capital Improvements. Four firms were mailed letters of interest to submit proposals for the Tunnel Study, and the City of Miami will evaluate these proposals later this month with assistance from the County and FDOT. The County will still be funding the study, and a JPA to reflect that arrangement will be before the Board for consideration in February, 2005.

Our goal is to spend our tax dollars wisely, maximize revenues, and contain expenditures while providing high quality service to our customers. Effective and efficient transit and transportation service along with prudent fiscal responsibility is everyone's goal. With the annual Pro Forma review process in place, we will be able to work together to bring citizens and visitors to Miami-Dade County a world-class transit system.



Assistant County Manager

Exhibit 1
Capital & Operating Cost/Year Analysis
Combined Revenue Sources & Fiscal 2003 - 2033

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES																				
Direct Operating Revenue - Existing Service	72,323,104	73,727,033	77,149,875	79,536,319	81,773,405	83,910,723	85,948,280	87,886,149	89,723,547	91,460,603	93,197,239	94,933,865	96,670,491	98,407,117	100,143,743	101,880,369	103,616,995	105,353,621	107,090,247	108,826,873
MDT Direct Operating Revenue - Existing Service	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161	2,234,161
MDT Incremental Bus Revenue - New Service	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886	5,493,886
MDT Incremental Rail Revenue - New Service	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340	348,340
Capital & Operating Revenue	78,349,491	79,703,420	83,226,462	85,912,806	88,001,712	89,986,991	91,866,867	93,644,701	95,316,115	96,894,965	98,468,461	100,041,957	101,615,453	103,188,949	104,762,445	106,335,941	107,909,437	109,482,933	111,056,429	112,629,925
Capital & Operating Expenses																				
Capital Expenses	14,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Operating Expenses	64,349,491	67,703,420	71,226,462	73,912,806	76,001,712	77,986,991	79,866,867	81,644,701	83,316,115	84,894,965	86,468,461	88,041,957	89,615,453	91,188,949	92,762,445	94,335,941	95,909,437	97,482,933	99,056,429	100,629,925
Net Revenue	14,349,491	17,703,420	21,226,462	23,912,806	26,001,712	27,986,991	29,866,867	31,644,701	33,316,115	34,894,965	36,468,461	38,041,957	39,615,453	41,188,949	42,762,445	44,335,941	45,909,437	47,482,933	49,056,429	50,629,925
Capital & Operating Revenue	78,349,491	79,703,420	83,226,462	85,912,806	88,001,712	89,986,991	91,866,867	93,644,701	95,316,115	96,894,965	98,468,461	100,041,957	101,615,453	103,188,949	104,762,445	106,335,941	107,909,437	109,482,933	111,056,429	112,629,925
Capital & Operating Expenses	14,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Net Revenue	64,349,491	67,703,420	71,226,462	73,912,806	76,001,712	77,986,991	79,866,867	81,644,701	83,316,115	84,894,965	86,468,461	88,041,957	89,615,453	91,188,949	92,762,445	94,335,941	95,909,437	97,482,933	99,056,429	100,629,925

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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
210,203,406	212,112,013	213,912,404	216,634,950	216,593,845	217,160,634	219,147,189	219,727,497	221,742,205	222,316,384	5,289,115,411	
54,603,631	55,285,069	56,030,660	56,205,902	57,022,519	56,878,994	57,214,701	57,090,987	57,448,323	57,304,725	1,328,093,029	
37,940,237	38,001,208	38,050,362	38,075,533	38,158,782	38,028,367	38,310,661	38,504,959	38,590,448	38,586,541	745,300,493	
39,466,956	41,045,635	42,687,460	44,339,959	46,170,757	48,017,587	49,938,291	51,935,822	54,013,255	56,173,785	366,033,976	
60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	1,200,000,000	
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	1,295,565,001	
94,244,012	96,600,112	99,015,115	101,490,493	104,027,755	106,628,449	109,294,160	112,026,514	114,827,177	117,697,856	1,239,566,141	
21,963,049	22,647,237	23,332,779	23,352,779	23,352,779	24,000,280	24,060,280	24,060,284	24,060,284	24,060,284	251,233,127	
8,225,554	8,356,442	8,489,310	8,624,290	8,761,416	8,900,722	9,040,716	9,186,016	9,332,073	9,480,453	616,198,237	
243,427,737	251,787,758	260,440,380	269,395,843	278,664,747	288,258,064	298,187,146	308,463,746	319,100,027	330,108,978	2,283,765,882	
20,172,774	20,480,440	20,787,647	21,099,462	21,415,953	21,737,193	22,063,251	22,394,199	22,730,112	23,071,064	6,333,976,520	
503,687,151	530,130,726	557,962,590	587,255,626	618,086,546	650,536,090	684,689,234	720,635,419	758,468,779	798,288,389	56,238,001	
1,400,000	70,490,320	10,625,052	41,599,887	40,693,641	63,806,074	53,136,353	128,000	137,776,000	137,776,000	12,352,226,284	
6,375,098	7,278,538	9,221,552	10,894,476	12,643,132	14,592,500	16,721,539	19,039,633	21,316,160	23,664,565	182,669,053	
1,306,714,724	1,419,686,518	1,404,924,788	1,482,024,186	1,530,591,530	1,741,401,654	1,834,391,068	1,782,984,238	1,845,303,003	1,905,286,321	37,674,883,049	
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total	
8,400,000	77,490,320	17,625,052	48,599,887	47,693,641	70,806,074	60,136,353	963,000	7,128,000	7,194,000	82,342,628	
19,733,478	20,522,817	21,343,770	22,197,479	23,085,378	24,008,794	24,969,145	25,967,911	27,006,628	28,086,893	2,880,573,816	
100,777,430	106,026,145	111,592,518	117,451,125	123,617,309	130,107,218	136,927,847	144,122,084	151,693,756	159,657,678	1,245,423,345	
7,000,000	7,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	15,000,000	15,000,000	15,000,000	464,372,869	
598,317,378	617,446,112	638,228,060	660,238,526	682,366,454	704,716,330	726,780,013	750,081,127	774,144,088	798,994,122	4,642,859,000	
159,144,475	164,918,809	171,066,373	177,198,364	184,014,315	189,534,745	195,220,787	201,077,411	207,109,733	213,323,025	159,657,678	
138,150,234	141,622,808	147,030,826	151,378,582	155,720,510	160,111,182	165,105,316	170,257,780	175,573,595	181,057,943	2,470,445,257	
4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	155,000,000	
3,011,645	3,101,994	3,195,054	3,290,906	3,389,653	3,491,322	3,596,062	3,703,943	3,815,062	3,929,514	15,589,960,097	
113,697,603	113,691,289	113,689,867	113,689,314	113,689,626	113,691,414	121,199,121	131,030,815	138,662,138	146,296,108	55,249,000	
31,784,595	34,717,789	34,453,366	35,689,341	35,718,238	36,283,968	36,689,253	37,549,087	38,450,446	38,489,038	4,043,388,268	
60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	1,200,000,000	
1,246,561,838	1,351,108,084	1,332,794,846	1,404,303,523	1,443,911,105	1,644,599,047	1,722,698,898	1,682,104,158	1,740,929,445	1,794,314,121	36,566,681,776	
283,337,669	343,490,536	412,068,989	484,198,931	561,919,592	648,600,018	745,402,624	847,094,794	947,384,874	1,051,758,432	1,162,670,432	
343,490,536	412,068,989	484,198,931	561,919,592	648,600,018	745,402,624	847,094,794	947,384,874	1,051,758,432	1,162,670,432		

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